

**FY 2014 CRA Model
(Model Files, Cost Matrices, and Reports)
(Public Version)**

I. PREFACE

A. Purpose and Content

USPS-FY14-31 contains the Fiscal Year 2014 Cost and Revenue Analysis (CRA) Model along with public versions of associated cost matrices and reports. In the public cost matrices and reports, costs for First Class Package Service, Priority Mail Express, Priority Mail, Standard Post, Parcel Select Mail, Parcel Return Service Mail, Premium Forwarding Service, Address Enhancement Services, Greeting Cards, Post Office Box Service (Competitive portion), Shipping and Mailing Supplies, and Competitive Negotiated Service Agreements have been rolled up into a single domestic Competitive products total. All files are provided in Excel format.

B. Predecessor Document

In the Postal Service's FY 2013 Annual Compliance Report (ACR) filing (Docket No. ACR2013, December 28, 2013), this material was presented as USPS-FY13-31.

C. Corresponding Non-Public or Public Document

A non-public version of the FY 2014 CRA Model is filed as USPS-FY14-NP13. The non-public version contains complete cost data for the domestic Competitive products listed above.

D. Methodology

The CRA model documented in USPS-FY14-31 uses the same cost methodology and structure as that filed in Docket No. ACR2013, with the following modifications:

1. Parcel Post was changed from a Market Dominant product, mail class 41, and merged with the Competitive product, Standard Post, class 145.
2. A new cost component, 424, was added in C/S 3.3 for Customer Care Centers. The component is loaded from B Workpapers.
3. Costs for Retail Credit Card fees were moved from CS16 to component 126, in C/S 13.3.2 and the amount attributed to products were identified and included in that component.
4. A new equipment distribution key (component 977) was added for PASS/DSS to 98.2. See USPS-FY14-7 for a description of the development of this DK.

5. This DK will have the Manual Parcel Sorting (MANP) cost pool variability and a distribution key based on RPW parcel volumes and be printed in F Report
6. An Equipment Maintenance Labor factor (1234) was added in 98.8 for PASS/DSS and distributed in A Module using routine "DA" and distribution key 977.
7. A new Equipment Parts and Supplies factor (1264) was added in 98.9 for PASS/DSS, distributed in A Module using routine "DA" and distribution key 977.
8. Changed SPBS to APBS in components 910, 944, 1010, 1044, 1110, and 1144. Changed 'Small Parcel Bundle Sorter' to 'Automated Parcel Bundle Sorter' in components 987, 1214, 1244, 1274.
9. The Alaska Air Adjustment was removed from calculation in the CRA model.
10. A component (569) was added to C/S 12, Vehicle Hire for Rural Carriers, and distributed on component 72 in the A Report.

E. Input/Output

The model documented in USPS-FY14-31 utilizes as input the FY 2014 "B" workpapers contained in USPS-FY14-32, variabilities and distribution keys developed in USPS-FY14-7, equipment- and facility-related costs developed in USPS-FY14-8, In-Office Cost System-derived distribution keys documented in USPS-FY14-37, special services data from USPS-FY14-28, Negotiated Service Agreement data from USPS-FY14-30, revenues and expenses from the FY 2014 USPS general ledger as developed in USPS-FY14-5, and revenues, volumes, and weights reported in the audited FY 2014 Revenue, Pieces and Weight by Classes of Mail and Special Services (RPW) report.

Model outputs are utilized by the International Cost and Revenue Analysis (ICRA) Model, files for which are provided in USPS-FY14-NP4. Outputs from this folder are also used in the CRA Report, provided in USPS-FY14-1, the Cost Segments and Component Report provided in USPS-FY14-2, the calculation of incremental cost provided in USPS-FY14-NP10, and functional piggybacks provided in USPS-FY14-24.

II. ORGANIZATION

The contents of USPS-FY14-31 are organized in Electronic folders as follows:

1. CRA Model

| | |
|----------------------------------|----------------------------|
| USPS-FY14-31\Model\CRA.Model.xls | CRA run module |
| USPS-FY14-31\Model\CRA.DIM.xls | CRA data input module |
| USPS-FY14-31\Model\FY14.cntl.xls | CRA contr tables & sources |

2. Cost Files

| | |
|---------------------------------|-------------------------------------|
| USPS-FY14-31\Cost\FY14.I.xls | Input matrix |
| USPS-FY14-31\Cost\FY14.Mod1.xls | GDEI calculations and output matrix |
| USPS-FY14-31\Cost\FY14.A.xls | "A" calculations and output matrix |
| USPS-FY14-31\Cost\FY14.F.xls | "F" calculations and output matrix |
| USPS-FY14-31\Cost\FY14.B.xls | "B" calculations and output matrix |

3. Reports

| | |
|------------------------------------|----------------------------------|
| USPS-FY14-31\Reports\FY14.IRpt.xls | Input report |
| USPS-FY14-31\Reports\FY14.ARpt.xls | "A" report (without PESSA costs) |
| USPS-FY14-31\Reports\FY14.FRpt.xls | Factor report |
| USPS-FY14-31\Reports\FY14.BRpt.xls | "B" report (PESSA detail) |
| USPS-FY14-31\Reports\FY14.CRpt.xls | Cost segs and comp report |
| USPS-FY14-31\Reports\FY14.DRpt.xls | Final adjustments |